Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Voluntary Report - public distribution

Date: 9/2/1999

GAIN Report #AR9061

Argentina

Oilseeds and Products

September Oilseed Update

1999

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Report Highlights:

Rapid use by the oilseed industry points to a larger soybean crop. In contrast, peanut production is estimated lower.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Buenos Aires [AR1], AR

Executive Summary

Argentina is a leader in oilseed and products trade, and this year's large crop has allowed it to continue that role. However, poor production conditions have reduced estimates for peanut production, and trade could decline for that reason.

Soybeans

Reflecting the large local supplies and world demand for products, crushing by the local industry has been very rapid in the current local year, with throughput in recent months approaching 2.0 million metric tons (mmt). Greater supplies were made available to the crushers earlier than normal, as farmers sold rapidly to obtain funds to cover increased farm debt. Crushing margins are said to be low, but the industry must continue to operate to at least meet some costs and maintain market share. In contrast to the early part of the year, farmers are now selling the remaining crop more slowly in hope of better prices and returns recently made possible by an upturn in bean prices.

In the trade arena, greater bean exports were made to China in the May-July period, as that country's import tax policy favored raw materials over products.

Post moves current production estimate to 19.0 mmt, based on greater than expected processing, with imports lowered to .5 mmt reflecting trade coming from Mercosur partners. Based on the current level of exports, which now stand at nearly 3.0 mmt, post also increases exports slightly to 3.0 mmt in recognition that some small continued business will likely be done. Prices for soybean products remain relatively low, but demand is good, pointing toward continued exports.

Table 1. Soybean Supply and Demand

PSD Table						
Country	Argentina					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		04/1998		04/1999		04/2000
Area Planted	7000	7176	7300	7756	7300	7500
Area Harvested	6954	6954	7500	7500	7250	7250
Beginning Stocks	266	266	307	307	254	254
Production	19200	19200	18300	19000	17000	17000
MY Imports	1450	1450	1000	500	1000	1000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	20916	20916	19607	19807	18254	18254
MY Exports	3231	3231	2800	3000	2500	2500
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	16800	16600	16000	16000	14860	14860
Food Use Dom. Consump.	10	10	10	10	10	10
Feed,Seed,Waste Dm.Cn.	568	768	543	543	600	600
TOTAL Dom. Consumption	17378	17378	16553	16553	15470	15470
Ending Stocks	307	307	254	254	284	284
TOTAL DISTRIBUTION	20916	20916	19607	19807	18254	18254
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	725	0	3194	0	3000
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Peanuts

Peanut production fell sharply from earlier expectations, due to poor weather conditions in the main growing region in Cordoba province. The most recent official estimate is 340,000 metric tons. Post moves its estimate to that amount, and reduces trade to 150,000 metric tons. Processing is increased slightly, as more product is expected to go into that channel for quality concerns.

Table 2. Peanut Supply and Demand

PSD Table						
Country	Argentina					
Commodity	Oilseed, Peanut				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		03/1998		03/1999		03/2000
Area Planted	390	410	390	336	390	350
Area Harvested	390	390	320	320	340	340
Beginning Stocks	0	0	0	0	0	0
Production	625	625	375	340	500	500
MY Imports	0	0	0	0	0	0
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	625	625	375	340	500	500
MY Exports	325	325	200	150	275	275
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	250	250	125	140	175	175
Food Use Dom. Consump.	20	20	20	20	20	25
Feed,Seed,Waste Dm.Cn.	30	30	30	30	30	25
TOTAL Dom. Consumption	300	300	175	190	225	225
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	625	625	375	340	500	500
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	325	204	225	307	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0